

ASSOCIATED **AFPD**

FOOD & PETROLEUM DEALERS, INC.

October 8, 2007

Representative Andrew Meisner
791 House Office Building
PO Box 30014
Lansing, MI 48909-7514

RE: Gift Card Legislation

Dear Representative Meisner:

The Associated Food & Petroleum Dealers has reviewed the recent gift card legislation House Bill 4050 and evaluated the legislation as it would apply to a great many of our retailers. AFPD supports gift card legislation placing some restrictions on the sale of such cards. Specifically, AFPD supports the following restrictions on gift cards:


1. A two-year expiration date, which is stated on the card. AFPD does not support a 5 year expiration date, as carrying this amount on accounting books is arduous and more burdensome than federal requirements to maintain such financial information. We believe allowing retailers to have a two-year expiration on cards is fair to consumers and businesses.
2. Inactivity fees are not allowed if expiration dates are allowed.
3. We support some notification to consumers of their right to know the limitations on gift cards they purchase. However, we do not support the requirement in HB 4050 that retailers post a sign stating "Terms & Conditions are applied to gift certificates and gift cards," as well as stating the terms and conditions on the card. In addition to being redundant, gift cards are often displayed at various locations in a store, many of which are not conducive to posting a sign. Providing necessary notices on the card or certificate itself is sufficient. Therefore we ask that you please strike Sec. 3E (D) from the bill.

It is important that legislation focus more on notifying consumers of such restrictions when they purchase the cards or gift certificates and to provide retailers flexibility in choosing a method that that best fits their needs.

Lastly, clarification on Michigan's escheats law is needed for all businesses involved in issuing gift cards and we support language that unused gift card value are not escheated to the state.

We hope that you will take into consideration our above concerns in passage of the bill.

Sincerely,



Jane Shallal
President

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